

Howden Joinery Group Plc – Group UK Tax strategy

Our tax principles

Our business is based on integrity, fairness, respect and good governance. Our approach to tax is based on the same values.

Securing and maintaining the trust of all our stakeholders, including HMRC, is central to our business. We aim to create long-term sustainable trading growth, and to be a responsible taxpayer.

Our guiding principles for tax are:

- to comply with all applicable tax laws and regulations in the UK and internationally;
- to use available tax reliefs in the way that they are intended;
- to adopt an open, honest and professional approach in our dealings with HMRC; and
- to work collaboratively with HMRC to resolve any areas of disagreement while ensuring we defend our tax treatment where we consider it is correct in law.

Our tax risk management process

We manage tax risks under the same framework as all other risks in the business. This framework is described at pages 22-23 of the Group's 2016 Annual Report. The Group does not currently have any principal risks relating to tax.

We check that our tax processes, and the systems and data which they rely on, are efficient and effective in meeting our tax compliance obligations with support from internal audit, who help us periodically monitor that tax processes and controls are operating as intended.

Our approach to tax planning

Our approach to tax planning is to make use of tax reliefs which are intended to apply to our commercial transactions in a manner which is consistent with our values and our desire to maintain a low-risk sustainable approach to our tax affairs.

Our approach to tax risk

We are committed to applying the law correctly, and thereby minimising our tax risk. We recognise that tax legislation can be subject to interpretation, so we take independent professional advice when needed to reduce any potential uncertainty as far as we can. If significant uncertainty remains, we consult directly with HMRC to ask for their view. However, if we disagree with HMRC, we are prepared to accept tax risk to maintain the treatment we consider is correct in law.

Our relationship with HMRC

We adopt an open, cooperative and professional working relationship with HMRC (and with other tax authorities wherever we operate). If we disagree with them over an interpretation of the law, we work collaboratively to try to resolve the matter by agreement where possible.